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Towards global partnerships

Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector

Report of the Secretary-General

Summary

The United Nations has made considerable progress in achieving organizational and development goals through partnerships with the private sector. In its resolution 68/234, the General Assembly made a number of recommendations for taking advantage of the unique position of the United Nations to foster new forms of collaboration with the private sector and overcome key operational challenges. Progress in implementing those recommendations has contributed to a more strategic and integrated approach to engaging with business partners and the design of more innovative, effective and impactful partnerships for sustainable development and humanitarian purposes. At the same time, emerging trends are driving new partnership developments within the United Nations and setting the stage for progress to come. The United Nations is becoming more adept at managing the risks of partnering with the private sector, both by improving due diligence and integrity measures and by leveraging its reputation and normative strength to align the business community with the values of the United Nations. To ensure that the United Nations continues to build on this progress, a number of challenges must be addressed. The recommendations presented herein are aimed at ensuring more effective collaboration with the private sector, while respecting the normative standards of the United Nations and its Member States.

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I. Introduction

1. The present report is submitted in compliance with General Assembly resolution 68/234, in which the Assembly requested the Secretary-General to submit a report at its seventieth session on specific progress in terms of integrity measures, transparency, strengthening due diligence measures, improvement and implementation of the Guidelines on Cooperation between the United Nations and the Business Sector, partnership disclosure and strengthening the Global Compact Local Networks. The report builds on previous reports of the Secretary-General on cooperation between the United Nations and relevant partners (A/56/323, A/58/227, A/60/214, A/64/337, A/66/320, and A/68/326).[1]

2. The year 2015 is a milestone one. The Millennium Development Goals expire in 2015 and will be succeeded by the new sustainable development goals. Intergovernmental negotiations on the sustainable development goals ran in parallel with the financing for development process, which focused on how to implement and achieve the goals. As a result, Member States have agreed on the "2030 Agenda for Sustainable Development", to be adopted at the United Nations summit for the adoption of the post-2015 development agenda in September 2015 (see A/69/L.85), and on the Addis Ababa Action Agenda, endorsed by the General Assembly in resolution 69/313 and considered as an integral part of the "2030 Agenda". Moreover, the Conference of the Parties to the United Nations Framework Convention on Climate Change will meet in Paris from 30 November to 11 December 2015, seeking a universal agreement. A two-year consultation process is also under way, leading up to the World Humanitarian Summit to be held in Istanbul, Turkey, in 2016. What is notable about these processes is the active participation not only of Member States, but also of civil society actors and numerous constituency groups, ranging from youth to indigenous peoples to women, as well as the private sector.

3. The inclusion of business representatives in such high-profile global consultations, their outcomes and events represents a significant evolution of public-private collaboration. Governments and international organizations are increasingly recognizing the value of including the private sector. A growing number of companies are identifying strategic opportunities to take action and align their business operations with national and international development priorities. Companies are shifting from a primarily philanthropic approach towards a more strategic and holistic approach to corporate sustainability.

4. An independent impact assessment recently noted significant growth in corporate awareness and understanding of sustainability, responsibility and changing notions of materiality. Integrated corporate reporting, a growing practice increasingly driven by investor demand, underscores that environmental, social and governance issues are material to business performance. New and emerging transformative drivers of corporate sustainability are creating important opportunities for greater and more impactful public-private collaboration.

[1] The present report draws on several sources: an online survey of 18 United Nations agencies, funds and programmes; in-depth interviews with staff members throughout the United Nations system; meetings of the United Nations private sector focal points network and Global Compact Local Networks; the annual Local Networks forum; case studies; and relevant academic literature.

5. In a 2014 survey on sustainability that canvassed 38,000 executives, managers and thought leaders, 90 per cent agreed that effectively addressing sustainability issues cannot be done alone but requires collaboration. This almost universal endorsement of the value of collaboration is built into the design of the sustainable development goals, which include targets for multi-stakeholder partnerships as a key means of implementation.

6. Public-private partnerships are additional and complementary to government action, and can yield positive results which governments may leverage to advance society's best interests. To capitalize on such collaboration to advance sustainable development, the private sector requires the normative guidance and expertise of the United Nations to determine how best to play a constructive role. The sustainable development goals set a very ambitious agenda for addressing a wide range of issues of critical importance to business and society. As areas of intersecting public-private interest continue to deepen, the need and demand for new partnerships between the United Nations and the private sector can only grow. The United Nations will need to have in place effective integrity measures to manage the risks inherent in collaboration.

II. Private sector partnership progress, trends and challenges throughout the United Nations system

A. Progress at the system level

7. The United Nations is increasingly acknowledging the value that business can bring to helping achieve development goals. The General Assembly, in a series of biennial resolutions, has welcomed the efforts of the business sector "to engage as reliable and consistent partners in the development process". The outcome document of the United Nations Conference on Sustainable Development states that implementation of sustainable development depends on the "active engagement of both the public and private sectors" (General Assembly resolution 66/288, annex, para. 46). Throughout the synthesis report of the Secretary-General on the post-2015 agenda (A/69/700), the private sector is identified as a crucial player in realizing the goals of the international community. At the third International Conference on Financing for Development, held in Addis Ababa from 13 to 16 July 2015, Member States agreed to the Addis Ababa Action Agenda (see para. 2 above), a comprehensive framework for financing sustainable development that aligns financing flows and policies with economic, social and environmental priorities. The Agenda recognizes that public-private and multi-stakeholder partnerships are key instruments for mobilizing human and financial resources, expertise, technology and knowledge. Emphasizing the important role of responsible business and investing practices as championed by the United Nations Global Compact, the Agenda invites businesses to apply their creativity and innovation towards solving sustainable development challenges as partners in the development process. The "2030 Agenda for Sustainable Development" (A/69/L.85, annex) calls for the engagement of all stakeholders, including the business community, in the Sustainable Development Goals and targets, the means of implementation, the Global Partnership for Sustainable Development and the follow-up and review. The Addis Ababa Action Agenda is considered an integral part of the 2030 Agenda.

8. In practice, increased interest in involving the private sector has led to more consistent participation of business representatives in United Nations meetings and summits. The annual United Nations Private Sector Forum, hosted by the Secretary-General during the opening session of the General Assembly and organized by the Global Compact in cooperation with other United Nations partners, brings together chief executives and leaders from Government and civil society to address issues of common concern. The 2014 Forum, held as part of the Secretary-General's Climate Summit, highlighted corporate leadership on carbon pricing and related commitments to the climate action agenda. The 2015 Forum highlighted an unprecedented range of new opportunities for public-private collaboration to advance the post-2015 development agenda, and business participants announced new commitments and partnerships with the United Nations for sustainable development.

9. Private sector participation in the post-2015 processes included structured engagement in a number of other ways. The High-level Panel of Eminent Persons on the Post-2015 Development Agenda, established by the Secretary-General in 2012 to advise on the new global development framework, included several respected business leaders. The Global Compact was mandated to feed input directly into the post-2015 processes by supporting the work of the Panel's business representatives in the consultations. It published briefing papers on how the private sector could help implement the post-2015 development agenda. These efforts were undertaken in close cooperation with Global Compact Local Networks. The local networks play a critical role in connecting stakeholders from across sectors to advance partnerships for implementation of the sustainable development goals incorporating a "bottom-up" approach.

10. While the United Nations has managed to include the voice of the private sector in these consultations, events and summits at a level and scale never seen before, a new set of challenges and legitimate concerns must be addressed in the shift from articulating to achieving defined common goals. First, a systemic approach is needed to strengthen private sector input through consultations with follow-up processes. This will aggregate and measure private sector commitments and action in the implementation phase of the sustainable development goals. Second, and related to the first issue, institutional continuity within the United Nations should be reinforced to better engage companies at high-level summits or consultations. As each event or process is often organized by a separate entity, or different staff within each entity, business representatives are invited to speak, but not always engaged in follow-up action plans. Finally, the United Nations should undertake greater efforts to engage small and medium-sized enterprises and companies from emerging and developing markets.

11. In recognition of these challenges and in support of efforts to advance a common approach to transparent private sector engagement in the post-2015 era, the Global Compact is promoting a centralized online platform allowing companies to formally submit detailed commitments to the sustainable development goals that can be monitored and reported on. Companies also have access to a range of new tools and resources such as the "sustainable development goals compass" to assist them in leveraging the goals as a common framework for setting ambitious sustainability goals, communicating progress and measuring impact.

12. In response to calls for greater partnership coherence and transparency, the Global Compact is also redeveloping the United Nations/business website, business.un.org, to enhance its capacity to facilitate public sharing by United Nations entities of existing partnership activities and new opportunities. Effectively measuring the impact of private sector contributions to achieving the sustainable development goals will depend on robust corporate reporting of activities and results. To that end, companies should be encouraged to make annual disclosure of non-financial issues aligned with United Nations principles. The Global Compact communication on progress model provides a framework for such practice.

13. Overall, it is clear that the United Nations has made progress at the system level in recognizing contributions that the private sector can make. The confluence of the post-2015 and financing for development processes, the climate conference and the World Humanitarian Summit, among others, have created considerable opportunities for engaging with the private sector beyond the level of consultations and towards more meaningful collaboration. In this respect, the United Nations must build on positive developments to address challenges and concerns regarding partnership transparency and accountability through continuous collaborative efforts and system-wide improvement.

1. Partnerships in the humanitarian sector

14. One of the key areas in which the United Nations is pursuing new kinds of engagements with business is the humanitarian sector. The growing severity and frequency of disasters and conflicts around the world are challenging the capacity of humanitarian organizations, and the United Nations has realized that it is critical to involve all stakeholders, including the private sector, in its humanitarian work to keep up with these developments. The private sector has resources, reach, technology and other assets that can strengthen the effectiveness and efficiency of humanitarian responses.

15. Engagement with companies for addressing humanitarian and disaster risk management issues mirrors the broader evolution of partnerships between the United Nations and the private sector. From a normative standpoint, the United Nations system is increasingly seeking input from companies in high-level processes for setting strategies in addressing some of the world's most pressing challenges. The Secretary-General and the Office for the Coordination of Humanitarian Affairs are organizing the World Humanitarian Summit, to take place in May 2016 in Istanbul. It aims to find new ways to address humanitarian needs as well as to build a more inclusive and diverse humanitarian system. As a part of the two-year consultation process leading up to the Summit, all groups and sectors, including the private sector, are being called upon to share best practices and find ways to make humanitarian action more effective.

16. A number of United Nations agencies have recognized the value of engaging with the private sector with a view to improving humanitarian response and disaster risk management activities and, as such, increasingly engage the private sector not only for fundraising, but also to obtain expertise and innovative technology. Such partnerships range from joint development of new products, such as temporary shelters, to disaster insurance schemes or agreements with companies to provide standby logistics support in different areas of the world. For example, in the aftermath of typhoon Haiyan in the Philippines in 2013, many local and global

businesses approached United Nations agencies with the desire to become involved. For the first time, the Office for the Coordination of Humanitarian Affairs set up a focal point in the field to coordinate private sector engagement. The focal point liaised with humanitarian cluster leads to identify needs under the Haiyan Action Plan, brought them to the attention of the private sector and matched relevant offers to cluster needs through existing networks and in close cooperation with the Global Compact. Building on lessons learned from this experience, a private sector focal point was once again deployed as part of the United Nations Mission for Emergency Ebola Response.

17. Innovative new technologies and applications, often developed and implemented in cooperation with the private sector, are increasingly being integrated into humanitarian response. Examples include mobile cash and voucher schemes, social media tools, satellite imagery and crisis maps and big data projects. Traditional emergency food delivery is increasingly being replaced by cash and voucher systems allowing beneficiaries to buy their own food from local markets with the help of credit cards or mobile phones. The World Food Programme (WFP) has introduced voucher systems for Syrian refugees in Lebanon and the Syrian Arab Republic. The vouchers not only help WFP save money on freight, but also boost the local economy and allow beneficiaries to purchase what they need most. In addition, in the aftermath of Typhoon Haiyan in the Philippines in 2013 and in subsequent post-disaster contexts, social media, crowdsourcing and other innovative digital platforms have played a crucial role in prioritizing United Nations disaster response efforts and generating better data and analysis of beneficiary needs and concerns.

Box 1

The Ebola Private Sector Mobilization Group

In August 2014, four mining companies operating in West Africa decided to start a dialogue platform to share information about Ebola and its impact on commercial activities. The Ebola Private Sector Mobilization Group turned into a worldwide initiative with more than 100 members at the global level, with many more active in country groups that were set up in Liberia, Guinea and Sierra Leone. Company participants provided crucial support to emergency responders by donating cash, personnel and equipment, as well as lending expertise and advocating for a tightly coordinated cross-sectoral global effort to combat Ebola. In addition, the Mobilization Group developed a business action pledge on Ebola elimination in collaboration with the Global Compact, with the aim of reaching every company with a footprint in West Africa and increasing business contributions to Ebola response. Over 60 companies, including major multinational corporations and African companies, signed the pledge and committed to a wide range of actions beyond business as usual. Based on information received from pledge signatories, approximately $17,850,000 was donated in cash or in kind and members of the Mobilization Group made significant operational contributions to the Ebola response effort.

18. While engagement in the humanitarian sector continues to be driven by corporate social responsibility, self-enlightened business interests are increasingly playing a role. There is a slowly developing understanding that investments in resilience can pay off in the medium and long term. Economic losses from disasters are a growing threat to business continuity and sustainability, creating a convergence of public and private interest in resilience and risk reduction. In March 2015, States Members of the United Nations adopted the Sendai Framework for Disaster Risk Reduction (General Assembly resolution 69/283, annex II), a 15-year plan calling for greater public-private collaboration to reduce existing levels of disaster risk and to avoid the creation of new risk. The Sendai Framework acknowledges the Global Compact as the main United Nations initiative for engagement with the private sector and as a vehicle for further promoting the critical importance of disaster risk reduction for sustainable development and resilience.

Box 2
UNISDR and private sector partnerships for disaster risk reduction

The Private Sector Partnership of the Inter-Agency Secretariat of the International Strategy for Disaster Reduction (UNISDR) is a voluntary group of over 100 businesses from more than 40 countries that work with UNISDR to drive solutions for resilient and disaster risk-sensitive private sector activities. Members of the Partnership contribute to the UNISDR mission of enhancing resilience and furthering the work of disaster risk reduction by sharing their knowledge of risk anticipation, risk management expertise and business initiatives in disaster mitigation. The Partnership fosters exchanges between partners representing a range of key commercial sectors, including financial services, telecommunications, construction and materials, and support services. Members of the Partnership were instrumental in contributing to dialogue that reinforced public-private collaboration as a central concept of the Sendai Framework.

In 2014, the Private Sector Partnership initiated the Disaster Risk-Sensitive Investments initiative ("R!SE"), a global initiative to mobilize businesses, the public sector, academia, civil society, the insurance industry and investors to contribute to the resilience of local communities and the global economy as a whole. The initiative, developed by both private and public institutions and managed by UNISDR, facilitates exchange of experience and knowledge on how to implement tangible disaster risk reduction projects through eight streams of activities: strategies for global business, risk metrics for economic forecasting, industry sector certification, education, principles for responsible investing, resilience of cities, insurance and resilience of United Nations programming.

19. While the United Nations has made considerable progress in leveraging contributions from the private sector in support of humanitarian response and disaster risk reduction, there are still some challenges preventing new or more effective means of collaboration. While many organizations within the United Nations system have begun partnering with the private sector, in many cases companies still struggle to find entry points and information to guide them in identifying partnership opportunities. Competition between United Nations

agencies, funds and programmes for valuable partners amplifies this issue, although a working group of the United Nations private sector focal points network created in 2014 and led by the Office for the Coordination of Humanitarian Affairs is helping to address this challenge by fostering stronger inter-agency collaboration on emergency preparedness and response. Part of the working group's objective is to better enable the United Nations system as a whole to benefit from innovative private sector contributions to emergencies. By conveying stronger common messages to external partners through system-wide coordination, the United Nations can more clearly identify entry points for private sector collaboration and take engagement to scale. System-wide collaboration is particularly critical when working with business associations and large groups of companies to increase the predictability of private sector humanitarian engagement.

Box 3

Inter-agency collaboration and the humanitarian connectivity charter

In March 2015, the mobile industry, led by an association representing nearly 800 mobile network operators and 250 equipment and software companies, launched the humanitarian connectivity charter. The charter is supported by the Office for the Coordination of Humanitarian Affairs, the United Nations emergency telecommunications cluster led by WFP and the International Federation of Red Cross and Red Crescent Societies. Under the charter's operational framework, mobile operators pledge to establish disaster-preparedness plans and make mobile services more accessible in crises by providing free or subsidized access to text messaging , data and voice services to affected people and humanitarian and government actors. The charter underscores the role that re-establishment of this critical infrastructure can have in facilitating needs assessments, humanitarian delivery and monitoring. More importantly, it provides the communication channels needed for a demand-driven response based upon the needs of affected populations.

20. There is a trend towards a more holistic and coherent approach to humanitarian action and disaster risk reduction, as well as a growing recognition of the value of harnessing private sector expertise and knowledge. It is recognized that partnerships for both sustainable development and for emergency preparedness and response are certainly not a panacea, but when properly designed, implemented and monitored, they are an indispensable part of the humanitarian system and will remain so in the future.

2. Innovation and partnerships

21. Innovation has become increasingly relevant in many partnerships between the United Nations and business. This trend is due to growing recognition of the innovative strength of companies and the desire to apply rapid technological advances and/or new approaches to United Nations activities. Innovation partnerships leverage unique business capacities to provide the United Nations with expertise relating specifically to core business competencies, for example, development of new products like flat-pack refugee housing or project management services for improving work processes. One of the most significant developments within the United Nations is the growth of dedicated innovation units or funds, for

example, within the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR), WFP and the United Nations Population Fund (UNFPA). These organizations have embraced the concept of innovation as a management priority and, as such, they aim to create an enabling environment in which staff members are encouraged by organizational leadership to innovate and are rewarded for doing so. Drawing upon a number of years' experience prioritizing innovation, these entities are now working to take new partnerships, operational models and concepts to scale.

22. Innovation work of UNICEF, for instance, has a number of different elements built on a set of overarching innovation principles which are meant as best-practice guidelines. A number of United Nations funds and programmes have officially endorsed these principles and use them as guidelines for their own innovation work. At UNICEF, an innovation unit in New York focuses on enabling internal processes and developing new products and resources, particularly in areas of real-time data, youth engagement and access to information. An innovation centre in Nairobi supports the roll-out and scaling of field-tested innovations and South-South collaboration, while a node in San Francisco builds partnerships with the technology sector. An innovation group in Copenhagen works closely with private sector and other partners on product innovation. A network of 10 labs around the world brings together the private sector, academia and the public sector to develop solutions for key social issues; this will ensure that innovations occurring on the ground are shared and replicated elsewhere.

23. UNFPA has embraced innovation and creativity as a priority, with the aim of generating opportunities for experimentation; initiating innovative activities to explore opportunities for scalable and sustainable improvement in delivering and operating; and encouraging unusual or unique partnerships, in particular with various companies. Since launching its Innovation Fund in 2014, UNFPA has hosted regular calls for proposals, crowdsourcing and testing innovation projects at the country, regional, and headquarters levels in key areas of its mandate. For instance, projects include real-time data availability for humanitarian situations, supply and commodities innovations and leveraging mobile technology to empower young people. During the Ebola outbreak, UNFPA collaborated with a major United States university and the Government of Guinea to establish an innovative real-time community-based information system to track cases and contacts. Developed in cooperation with several corporate partners, the system used a smartphone mobile application employed by community-based contact tracers, who collected key surveillance information to reduce human-to-human transmission of Ebola and map the extent of the epidemic in real time.

24. UNHCR has also launched an innovation initiative, which is an interdepartmental effort to support creative problem-solving by experimenting with new kinds of partnerships when responding to challenges in field operations. The initiative has made significant progress since its inception and remains a long-term management priority. It has launched projects in UNHCR field operations as well as at headquarters, including UNHCR innovation labs, the innovation fellowship programme, UNHCRIdeas.org, the innovation fund and innovation outreach.

Box 4

Global Pulse and Data for Climate Action — a global open innovation initiative for climate resilience

United Nations Global Pulse is the Secretary-General's innovation hub on the use of real-time data and analytics for sustainable development and humanitarian action. In the past two years alone, Global Pulse conducted more than 40 big-data innovation projects in collaboration with 25 government and United Nations agencies as well as academic and business partners.

As a tool in the fight against climate change, "big data" can be used to measure and strengthen resilience, understand risks and reveal economic opportunities such as efficient energy consumption models or early warning systems. To leverage these opportunities, the Secretary-General's Climate Change Support Team and Global Pulse are hosting an open innovation challenge. Private sector companies worldwide are encouraged to share large, anonymized data related to company operations, supply chains or consumer behaviour. Big data such as anonymized mobile network data, financial data, social media data, retail data or energy usage data will be analysed by research teams and innovators to develop innovative climate solutions. Winners of the challenge will be announced later this year and will receive funding to pilot and scale their innovations.

25. Innovation partnerships can bring new technologies, expertise and approaches to the work of the United Nations, but also generate certain risks and challenges that need to be managed and addressed. Lack of expertise and reluctance to publicly fail — particularly when private sector partners are involved — hinder the ability of some United Nations organizations to attempt innovative approaches or keep up with new technologies. Some staff also claim that legal and integrity concerns prevent their organizations from entering into more innovative kinds of engagements with companies, even smaller partnerships meant to pilot a new idea. In addition, innovative solutions developed are not always scaled up owing to insufficient funding and limited expertise and capabilities. More work is needed to ensure that flexibility exists within each agency to try new approaches, balanced by efforts to maintain the integrity of the organization and the United Nations as a whole.

B. Progress at the level of agencies, funds and programmes

26. United Nations agencies, funds and programmes continue to consider private sector partnerships as an important means to help them fulfil their respective mandates. Partnership numbers in most United Nations entities have continued to rise in the past two years, and all respondents to a system-wide survey shared the view that business engagement was likely to grow in their respective organizations in the future. Fundraising efforts directed towards high-net-worth individuals and private foundations have increased. There is a gradual shift in emphasis from ad hoc, short-term partnerships, focused primarily on resource mobilization, towards more strategic collaboration.

27. Agencies, funds and programmes demonstrate more confidence with regard to managing, rather than avoiding, the risks attached to private sector partnerships and genuinely push for ever more impactful partnerships. In this respect, two trends slowly unfolding over the past few years are now starting to fulfil their potential: diversification of partnership portfolios, and a growing focus on designing and implementing integrated partnership models.

1. Diversification of partners

28. United Nations entities long ago realized that having a diversified partnership portfolio can lead to a much broader and more sustainable base of support. This includes, for example, having multiple large, long-term, strategic partnerships focusing on different kinds of support, including financial, implementation or advocacy support, as well as some smaller, locally-focused partnerships with small and medium-sized enterprises. This not only provides organizations with more varied access to different resources, but also helps mitigate risks of being dependent upon the resources of one partner. Some are taking the next step in diversification by seeking out partners in a wider range of geographical regions, particularly emerging economies, as well as engaging with smaller and less established companies in new sectors such as social media or design. Others are proactively diversifying their partner base to include smaller, less established companies outside of the usual telecommunications, food and beverage, clothing and information technology sectors and more companies from emerging and developing markets.

29. Many of these newer business partners have less well-developed sustainability and corporate responsibility strategies. This presents opportunities to design partnerships which, among other objectives, align corporate partner operations with United Nations values and goals. Many other newer business partners, particularly companies in the social media or design sectors, have built business models around innovative products and services driven by socially and environmentally conscious operating principles. By collaborating with such companies, the United Nations can gain access to innovative products and services while also learning how to leverage new technologies and operational approaches.

30. Newer business partners can have differing expectations with regard to partnership goals and their roles, which can require a modified partnership approach. For example, smaller and less-established companies tend to have fewer resources than their recognized multinational counterparts and may expect some rapid business benefits from partnership. With this in mind, United Nations agencies will need to strategically evaluate the potential short- and long-term benefits and costs of such engagements and make decisions on how and whether to partner with such companies.

2. Towards an integrated partnership approach

31. To enhance partnership impact, United Nations entities such as UNICEF, UNHCR, WFP, the United Nations Industrial Development Organization UNIDO and others are increasingly developing integrated partnership models. An integrated approach can, in one form, mean partnering with several or numerous companies towards the achievement of specific goals. A good example of this kind of approach is the UNIDO Green Industry Platform, a multi-stakeholder partnership with the goal of mainstreaming social and environmental considerations into the operations

of businesses in all countries through the more efficient use of energy and raw materials, innovative practices and applications of new green technologies.

32. Another noted trend is towards partnerships where United Nations entities work extensively with one company on several different issues simultaneously. Examples include working with individual companies on fundraising, joint programme implementation, advocacy and corporate behaviour to better align corporate performance with human rights or environmental principles. Within UNICEF, for example, a continued push to adopt a broader approach to private sector partnership has led to a new Integrated Corporate Engagement Strategy.

Box 5
The UNICEF integrated corporate engagement strategy

UNICEF recently rolled out an "integrated corporate engagement strategy" and established a cross- divisional implementation team. Under a new integrated framework, UNICEF staff working with business entities are now considering a broader range of prospective engagements, beyond traditional fundraising relationships, in order to maximize the positive contributions that business can make in advancing children's rights. For example, advocacy on the Children's Rights and Business Principles, a values framework developed by UNICEF and the Global Compact, is encouraging business partners to adopt good business practices and awareness-building within their industries.

An innovative cooperation model between UNICEF and a global toy manufacturer formed earlier this year is a good example of how this new framework is applied. In two new interrelated partnerships, UNICEF and the global toy manufacturer, together with the company's foundation, promote quality early learning through play for children around the world. In the first partnership, the company's foundation provides $8.2 million to conduct a global review of policies on early childhood development and increasing the understanding of the critical link between play and early learning skills. The second partnership includes a strong advocacy component. The company has pledged to promote the Children's Rights and Business Principles by strengthening the governance of child protection in its own business and by sharing best practices with others in the corporate world.

33. Integrated partnership models can be powerful instruments for increasing impact as they leverage private sector engagement to achieve specific goals in a more holistic manner while facilitating much deeper engagement. While such models have the potential to greatly enhance partnership impact, integrated partnerships are also more complex and require more management skill and resources than conventional one-to-one partnerships. The lack of staff, time, money and expertise dedicated to private sector engagement in many United Nations agencies, funds and programmes therefore impedes this new model from application across the whole United Nations system.

III. Integrity measures for private sector partnerships

34. Along with heightened expectations of what the private sector can deliver to achieve the sustainable development goals, there is also growing demand for United Nations agencies, funds and programmes to redouble efforts to strengthen transparency and integrity in private sector engagement. In the past two years, the United Nations system has made significant improvements in its due diligence and integrity measures while also identifying opportunities for continuous improvement in building transparency.

A. Building transparency

35. Comprehensive reporting of partnership activity involving the private sector remains a challenge for many United Nations entities. To further transparency in response to the request in General Assembly resolution 68/234 for the United Nations to disclose partners, contributions and matching funds for all relevant partnerships, including at country level, the United Nations private sector focal points network in 2014 reviewed existing disclosure practices of all United Nations entities, including specialized agencies, funds and programmes. The review confirmed that most United Nations entities have dedicated portions of their websites to partnerships, and some include separate sections for different partner types, such as the business sector. The level of partnership information disclosed online varies; some websites disclose partner names, budgets and qualitative details of partnership activities, while others tend to reference cooperation with the private sector more vaguely with no in-depth disclosure. Among entities that publish information on partnership activity, it remains difficult to assess whether the information shared is comprehensive. With regard to partnerships at country level and in the field, it appears that no United Nations entity has been able to achieve a practice of exhaustive, universal disclosure. Significant further efforts are required to attain full, system-wide partnership transparency. The improved Guidelines on Cooperation between the United Nations and the Business Sector stress the importance of such efforts by including a new provision requiring United Nations entities to publish relevant partnership information on their respective websites as well as on the United Nations/business website, business.un.org. As requested by Member States, this information should include disclosure of partners, contributions and matching funds for all relevant partnerships, including at the country level.

36. Reporting on partnership activity should be complemented by robust reporting of results. Existing models for reporting on progress of private sector commitments to multi-stakeholder partnerships, such as the Accountability Framework of the Secretary-General's Sustainable Energy for All initiative and the communication on progress model applicable to Global Compact participants, have demonstrated proof of concept and are being replicated by other platforms. For example, the Every Woman, Every Child initiative recently introduced a more robust accountability framework requiring mandatory annual reporting by private sector participants on the status of their commitments.

B. Strengthening due diligence and managing partnership risks

37. Partnering with companies can lead to positive outcomes for United Nations organizations, but all partnerships include some risks and it is essential for the reputation and integrity of the United Nations to be protected at all stages of a partnership. Most United Nations agencies, funds and programmes have become more adept at managing the risks of partnering with the private sector. Many organizations are continuing to evolve from a risk-averse stance to a more risk-managed approach to working with companies. Three key trends are illustrating this evolution.

38. First, many agencies, funds and programmes have continued to improve due diligence and partner selection processes. Increased inter-agency collaboration aimed at strengthening due diligence coherence and capacity across the United Nations system has led many organizations to develop new or improved due diligence policies and procedures. Through the United Nations private sector focal points network, agencies are increasingly sharing due diligence policy templates and good practice examples with one another to inspire improvements and strengthen coherence. Fourteen United Nations entities now take advantage of a shared due diligence research service arrangement facilitated by the Foundation for the Global Compact. In 2015, the Global Compact expanded the arrangement to enable access to an additional research provider, enhancing the breadth and scope of information available to participating organizations when screening potential corporate partners. However, new companies or companies based in emerging or developing markets are often not adequately covered by such due diligence research providers. In these cases, most United Nations organizations usually carry out screening research themselves — a time-consuming and cumbersome process. Because there tends to be little sharing of due diligence research results between agencies, funds and programmes, different organizations are repeatedly screening the same potential partners, wasting valuable resources that are needed elsewhere. To address this challenge, the Global Compact is rolling out a pilot project to enhance its role in providing due diligence research support to members of the private sector focal points network as a means of reducing duplication and strengthening coherence.

39. In addition to first-level screening of partnership risks through enhanced due diligence procedures, more advanced tools are also being developed to overcome other risks in the partnership selection process. For example, a risk-managed approach is not only about screening potential partners, but also about assessing the perceived value of a partnership compared to the cost. WFP has recently developed a partnership valuation tool that it intends to share widely, which helps determine whether the advantages for partnership beneficiaries justify the direct and indirect costs of implementation.

Box 6
The WFP partnership valuation tool

While WFP sees great value in its partnerships, its management tools did not allow the organization to estimate the value of non-financial contributions from the private sector. In collaboration with a graduate business school, WFP created an online partnership valuation tool that will be launched later this year. The tool helps staff identify the partnership opportunities that will have the highest return on investment for WFP. It determines whether the advantages for the organization and its beneficiaries justify the direct and indirect costs of implementation, such as internal WFP involvement, staff costs and time. It also measures potential impact. Staff members submitting partnerships for valuation will receive an e-mail within several days of submission with a summary of results, a score with an overall assessment of the partnership and concrete suggestions for next steps.

40. Second, in addition to making more informed decisions about potential partners through improved screening processes and enhanced information, a number of United Nations organizations have also consciously begun partnering with companies from higher-risk sectors such as extractive industries, chemical- or alcohol-producing companies or companies with historically "risky" track records. This trend is based on a growing realization that zero-tolerance policies and non-engagement can block opportunities to positively influence and change the behaviour of companies. By developing integrated partnership approaches, agencies can design partnerships that combine resource mobilization and/or implementation support with elements of advocacy for ensuring that "riskier" corporate partners align their business practices with United Nations values.

41. Third, as companies seek opportunities to capitalize on sustainability efforts and to create shared value through partnerships, they also want to have more input into how partnerships are designed and implemented. For United Nations organizations, the increasing motivation of companies to share expertise on partnership creation, design and decision-making is a positive trend. However, as an intergovernmental organization, the United Nations must mitigate the risk of excessive corporate influence by admitting input from private sector partners into the strategic goals of partnerships only and not, for example, the broader decision-making of the organization. To best balance risks and opportunities, some United Nations entities have established private sector advisory boards. These invitation-only groups comprised of leading businesses from different sectors across the globe provide strategic input and recommendations regarding partnership activities. Examples include the recently launched Private Sector Leadership Advisory Council of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which advises UN-Women on accelerating women's economic empowerment, ending violence against women and helping to close the funding gap for UN-Women, as well as the UNISDR Private Sector Advisory Group, which works to advance disaster risk reduction.

Box 7
The Business Advisory Board of the Economic Commission for Europe's International Centre of Excellence on Public-Private Partnerships

With its strong convening power, the United Nations offers an impartial framework under which the private sector and Governments can collaborate to close infrastructure gaps, green the economy, strengthen social services and address climate change through innovative new models of private-public partnership. The International Centre of Excellence on Public-Private Partnerships, established by the Economic Commission for Europe, aims to help Governments in achieving excellence in the development and implementation of public-private partnerships. The Business Advisory Board of the Centre, established in October 2013 and made up of experts in public-private partnerships from the private sector, also supports Governments by providing strategic advice on specific projects and convening high-level national consultations between private sector experts and national authorities.

42. While these trends demonstrate a more confident risk-managed approach among some United Nations entities, many agencies, funds and programmes continue to struggle to achieve the necessary internal buy-in, design a strategic framework for a risk-managed partnership strategy or apply the necessary capacity-building efforts for implementation. Moreover, some entities that wish to pursue more integrated, risk-managed partnership strategies face institutional obstacles. Collaboration and dialogue are critical to addressing these obstacles and protecting the integrity of the Organization while ensuring that the United Nations can be a suitable partner for the private sector.

C. Improvement and implementation of the Guidelines on Cooperation between the United Nations and the Business Sector

43. Responding to the request of the General Assembly in resolution 68/234 that the Guidelines on Cooperation between the United Nations and the Business Sector be improved, the Global Compact led a one-year inter-agency consultation with the private sector focal points network to develop revisions. The improvements are crafted to ensure full alignment with the Guiding Principles on Business and Human Rights (A/HRC/17/31, annex). They incorporate a stronger gender perspective and refer to the Children's Rights and Business Principles. They also add clear language on transparency and stakeholder accountability. Specifically, the improved Guidelines note that information on the nature and scope of major cooperative arrangements between the United Nations and the business sector should be available both internally and to the public at large. United Nations entities are encouraged to publish relevant partnership information on their respective websites as well as on the United Nations/business website, business.un.org.

44. The Guidelines are complemented by provisions to ensure individuals and communities affected by activities undertaken under a partnership have access to appropriate grievance resolution procedures. Whenever appropriate, the improved Guidelines note that partnerships should identify and establish adequate mechanisms to respond to public concerns and that the activities undertaken under

the partnership are consistent with applicable social and environmental policies and mechanisms. Along these lines, the United Nations Development Programme recently introduced a stakeholder response mechanism that provides a helpful model for other agencies, funds and programmes to follow.

IV. Strengthening the Global Compact Local Networks

45. Global Compact Local Networks are business-led networks of companies and other stakeholders committed to advancing the Global Compact's universal principles within their countries and encouraging business action in support of United Nations goals. Composed of local and multinational companies and a wide range of non-business stakeholders in 88 countries around the world, these networks help to advance corporate sustainability at the local level through learning exchanges, partnerships and dialogues that tackle issues specific to local context, language and culture.

46. The Local Networks provide an avenue for diffusing United Nations values and principles and facilitate partnerships with businesses on a broad scale. The Global Compact and the Local Networks have made considerable progress since 2013 in strengthening network management and governance, increasing local ownership and advancement of Global Compact issue platforms, and deepening ties with the United Nations system at country level to advance partnerships, sustainability and responsible business practices.

Strengthened management and governance

47. After extensive consultations, in 2015 the Global Compact updated its relationship with the Local Networks by introducing new requirements and expectations regarding network management and governance. The new arrangements include stronger accountability and transparency measures, annual financial disclosure requirements and activity reporting. The arrangements aim to improve alignment with Global Compact integrity measures, particularly with respect to logo usage, and to facilitate dialogue with participating companies. The Global Compact is also expanding support to the Local Networks on a wide range of operational elements, such as participant recruitment and training.

Increased issue engagement

48. Through learning, policy dialogue and collective action, the Local Networks have a unique opportunity to adapt key corporate sustainability issues to country-specific contexts and mobilize businesses of all sizes to take action in support of United Nations priorities and goals. Through a new issue engagement framework, Local Networks are increasingly shaping development of Global Compact issue platforms and scaling up their application in local settings.

Box 8
Local Networks and the Global Compact Business for Peace platform

Launched by the Secretary-General in 2013, Business for Peace is a leadership platform which aims to expand and deepen private sector action in support of peace in the workplace, marketplace and local communities. The platform was uniquely designed and developed in close collaboration with the Global Compact Local Networks, which are encouraged to join as signatories. Participating Local Networks root the platform in local contexts and catalyse action to advance peace by helping companies operating in conflict-affected and high-risk areas to implement responsible business practices aligned with the Global Compact ten principles. Eighteen Local Networks and over 140 companies have joined the platform since its launch in 2013.

Deepening ties with the United Nations system and advancing partnerships at country level

49. The Global Compact Local Networks can play an important role in implementation of the sustainable development goals by facilitating corporate engagement, multi-stakeholder dialogue, partnerships and collective action at the country level. In the past two years, the Global Compact has conducted numerous training sessions and run a partnership-brokering pilot project designed to build the capacity of Local Network to connect businesses with the United Nations system and other stakeholders to advance country-level collaboration for sustainable development. Through a strategic planning process incorporating a "bottom-up" approach, Local Networks are convening and participating in public-private policy dialogues to help define and shape local and national development plans, promote multi-stakeholder partnerships and other collective action to implement the sustainable development goals and contribute to developing local accountability frameworks among public and private actors to track progress in achieving common goals. The strategic planning process has already been rolled out successfully in a number of Local Networks. Its flexible methodology can be applied in a diverse range of contexts to support implementation of the sustainable development goals, and also has potential to advance private sector collaboration for disaster risk reduction, emergency preparedness and response and other humanitarian activities.

V. Conclusion

50. **The post-2015 development agenda and related intergovernmental processes and agreements present an historic opportunity for the United Nations to expand the scope and impact of private sector engagement, cultivating new pathways to achieving common societal goals through diverse, strategic and impactful partnerships. To successfully leverage these new opportunities, a number of measures should be taken to strengthen partnership accountability and transparency, embrace holistic and integrated approaches and advance system-wide collaboration to strengthen coherence and build capacity.**

51. Continuing efforts are needed to maintain and enhance transparency and accountability in all private sector engagement by the United Nations. United Nations entities are encouraged to design their private sector partnerships taking into account universal United Nations principles as articulated and promoted to business by the Global Compact. They are also encouraged to implement the improved Guidelines on Cooperation between the United Nations and the Business Sector.

52. The United Nations should pursue stronger disclosure of partnership activity to better monitor results. Such efforts should complement or reinforce similar initiatives to mobilize the private sector to report more systematically on non-financial issues.

53. United Nations entities should adopt a holistic approach to private sector engagement, employing risk-managed partnership strategies where appropriate and pursuing integrated partnership models that positively affect business partners' core corporate performance while pursuing other specific partnership objectives. United Nations entities should build robust engagement mechanisms and strategies that foster institutional continuity while leveraging their unique mandates, operational advantages and capacities, including at country level.

54. United Nations entities engaging the private sector should be encouraged to scale up their investment in system-wide collaboration by making effective use of existing platforms such as the United Nations private sector focal points network to build capacity, strengthen coherence and disseminate partnership best practices.